Political Instability in Key Non-Communist Countries

National Intelligence Estimate **Volume I—The Estimate**

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NIE 7-82 8 December 1982

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POLITICAL INSTABILITY IN KEY NON-COMMUNIST COUNTRIES

Volume I—The Estimate

Information available as of 2 December 1982 was used in the preparation of this Estimate.

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KEY JUDGMENTS

This Estimate, updating NIE 7-81 (Political Instability and Regional Tensions, September 1981), addresses those non-Communist countries (and Yugoslavia) of high geopolitical importance to the United States where the impact of domestic instability, in some cases stimulated by regional tensions, is most likely to create problems of major consequence during the next two years. As we did last year, we examine in the Estimate the principal sources of instability, the extent to which they are, or can be, aggravated by the USSR, Cuba, or other powers, and the implications of this for US interests and policy. In addition to last year's concentration on the domestic and regional causes of instability, this Estimate also assesses the effect of global financial problems on the stability of major Third World debtors. Fuller treatment of these questions is provided in the accompanying volume II of this Estimate.

Domestic Instability

A. The principal countries in which major change detrimental to key US interests has at least an even chance of occurring in the next two years are:

Mexico	Zaire
El Salvador	Mozambique
Guatemala	Argentina
Somalia	Sudan
Iran	Lebanon

B. The principal countries in which major change detrimental to key US interests has a significant, although lesser, likelihood of occurring in the next two years are:

Pakistan	Kenya
Egypt	Panama
Yugoslavia	North Yemen
Spain	•

¹ Political instability is defined as the potential for sudden and significant change in the leadership, policies, or condition of a country. The most dramatic manifestation of instability is the revolutionary overthrow of a regime, as in Cuba in 1959 or Iran in 1979, but developments short of revolution can also lead states to alter their policies abruptly in ways that can substantially affect US interests. The Estimate does not deal with coups d'etat in countries such as Bolivia, where coups can shift the spoils of office from one set of leaders to another but often with little effect on anyone else. Nor is it concerned with cases of political violence, including terrorism, that are not related to the possibility of major political change.

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C. In certain other important countries, political stability appears to be fairly well assured in the next two to three years, but there are deep-rooted social and economic forces at work that might undermine stability and lead to major changes of great consequence to the United States. These countries are:

Brazil - The Philippines
- Greece Saudi Arabia
Indonesia The smaller
Jordan Persian Gulf states
- Nigeria South Korea
Turkey

D. We are also concerned about certain countries of lesser significance to the United States where currently high levels of instability could lead to developments, including Cuban, Libyan, or Soviet involvement, that might require high-level attention by US or other Western leaders. These countries are:

Africa

Caribbean

Dominica Chad
St. Vincent and Ghana
the Grenadines Liberia
Suriname

Eastern

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THE ESTIMATE

Domestic Instability

The following categorizations of domestic instabilities in countries of high geopolitical importance to the United States are based on both the *intensity* of the respective instabilities, and the *likelihood* that developments will occur—whether stemming essentially from domestic weaknesses or from outside regional tensions—which may prove adverse to US interests.

- A. Principal countries in which major change detrimental to key US interests has at least an even chance of occurring in the next two years:
 - Mexico. We are more concerned about Mexico than any other country treated in this Estimate. The economic and financial problems of recent months have already had highly deleterious effects on US interests, particularly in terms of increased illegal immigration, a sharp decline in imports from the United States, and difficulties for US banks to which Mexico owes more than \$25 billion. We believe that social and political instability is likely to remain high over the next two years because necessary austerity measures. will probably provoke strong public dissent. There is considerable strength and resilience in the Mexican political system that will probably enable it to survive these challenges. Nonetheless. there is at least an even chance that over the next two years much greater instability will occur than at present. Particularly ominous would be signs that elite's (political, business, labor, military) are losing confidence in President de la Madrid; that he is incapable of taking decisive initiatives to calm public fears; that radical elements are gaining control of the labor movement; that extreme leftists are acquiring new political influence more generally; or that the USSR is increasing its influence in Mexico.
 - El Salvador. There have been a number of favorable developments this year, but the country still faces enormous problems that could at

- almost any time reverse the progress made so far. The substantial US stake will be inextricably tied to the survival of moderate and democratic rule, which will continue to be threatened strongly by extremists of the left and right, and by externally supported insurgency.
- Guatemala. Pressures for revolutionary change have abated since General Rios Montt seized power last March, but his hold is tenuous in a highly polarized and violent system. If he fails to make progress in counterinsurgency, reviving the economy, and in other areas, he is likely to be replaced by a rightwing government that probably would return to repressive policies that would enhance the long-term prospects of the Marxist guerrillas.
- Somalia. President Siad's position has deteriorated considerably over the last two years because of severe economic problems, ethnic rivalries, and dissatisfaction in the military. Senior officers have been humiliated by their inability to defend Somali territory against Ethiopian incursions and attacks by guerrillas supported by Ethiopia and Libya. They could move to replace Siad if conditions deteriorate much more.
- Iran. Though Khomeini and the clerics have consolidated their control over the last year or so, the violence, fundamentalist zeal, and other sources of tension unleashed by the Islamic revolution continue to run high and could again threaten key US and Western interests in the Persian Gulf area.
- Zaire. Perennially unstable, the Mobutu government has been further undermined by a deteriorating economy over the last year or so. If major domestic violence or a new guerrilla campaign with significant outside support were to occur, Mobutu's chances of surviving would depend largely on the willingness of the United States and other countries to come to his rescue, as in the past.

- Mozambique. The Marxist regime is under acute and mounting pressure from a potent insurgent group supported by South Africa, and its survival is in jeopardy unless it receives substantial new support, possibly including Cuban troops, from the USSR and its allies. Moscow and Havana will be faced with an increasingly difficult decision, however, given the potential for casualties, economic costs, and the inherent difficulties of defeating an insurgency. On balance, we believe that the USSR and Cuba will decide to augment their military advisory presence, continue the logistic buildup begun last spring, and send some Cuban combat troops if such forces are essential to preserving a sympathetic regime in Maputo.
- Argentina. Very serious economic problems, greater political stresses, and widespread popular disaffection have followed in the aftermath of the Falklands war. For the United States, substantial commercial and economic interests are at stake in a country where deep political cleavages and unrest are likely to result in weak, largely ineffective governments over the next two years.
- Sudan. President Nimeiri's position has grown increasingly precarious in recent months. Many junior and middle-grade officers have come to doubt the regime's ability to deal with the declining economic situation and some are probably engaged in tentative antiregime plotting. Senior officers, if they believe that a coup by younger officers is imminent, could preempt them by moving first.
- Lebanon. This country is a unique case of instability, and its prospects are heavily contingent on the initiatives and interference of outside powers.
- B. Principal countries in which major change detrimental to key US interests has a significant, although lesser, likelihood of occurring in the next two years:

Pakistan	Kenya
Egypt	Panama
Yugoslavia	North Yemen
Spain	

C. Other important countries, where political stability appears to be fairly well assured in the next two years, but where there are deep-rooted social and economic forces at work that might undermine stability and lead to major changes of great consequence for the United States:

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Brazil	Saudi Arabia
Greece	The smaller Persian
Indonesia	Gulf states
Jordan	South Korea
Nigeria	Turkey
The Philippines	

D. In addition, we are concerned about certain countries that, in themselves, are of lesser significance to the United States at the moment but where currently high levels of instability could lead to developments that might require high-level attention by US or other Western leaders:

Eastern Caribbean	Africa	
Dominica	Chad	
St. Vincent and	Ghana	
the Grenadines	Liberia	
Suriname		

Regional Tensions

Interstate conflicts growing out of acute regional tensions are likely to present serious dangers to US interests during the next two years. The principal areas where such tensions and armed conflicts are most likely to spread or escalate and to continue to necessitate US policy responses are:

Israel-Syria-Lebanon Southern Africa
Iran-Iraq-Persian Gulf The Horn of Africa
Central America

As tensions in these regions continue or intensify, the domestic stability of some of the affected countries may be progressively undermined. In particular, Lebanon, Honduras, and, to a lesser extent, Costa Rica are countries in which regional conflict is most likely to impact heavily on internal stability. Moreover, hostile or meddling neighbors are a major source of instability in Iraq, Sudan, Somalia, Guatemala, and Chad.

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Soviet, Cuban, and Other Exploitation

The USSR and its associates (primarily Cuba, East Germany, and Vietnam and secondarily Libya, Nicaragua, Ethiopia, and South Yemen) will continue to bolster revolutionary movements and regimes and to try to undermine US interests around the world:

- Of increasing consequence over the last year or so has been the buildup of Nicaragua's power in Central America with Soviet and Cuban support, and continuing Cuban-Sandinista support of guerrilla and terrorist groups in El Salvador, Guatemala, and Honduras.
- Economic and security assistance to the radical regime in Grenada has strengthened Cuban and Soviet influence in the eastern Caribbean.
- Cuban troops remain in Angola and Ethiopia, and the ability of both Cuba and the USSR to stimulate higher levels of strife in southern Africa and the Horn will continue to challenge US interests and allies.
- Libya persists in subversive efforts in a variety of countries and has joined with Ethiopia against the pro-Western governments in Sudan and Somalia.
- In the Middle East, Moscow will press efforts to capitalize on regional criticism of the United States for its close association with Israel and to reverse the decline of its influence in Arab countries.
- In other parts of the developing world, the USSR and its associates will continue to exploit new opportunities for expanding their influence and reducing that of the United States and pro-Western forces.

Terrorism

Events of the last year have also made it more likely, in our view, that there could be a major increase in international terrorism over the next two years:

The military defeat of the PLO increased the enmity many Palestinians and other Arabs feel toward Israel and the United States, and we believe this and other developments in Lebanon have increased the risk of "retaliatory" violence.

- Libya's Qadhafi has lost prestige over the last year, but still has significant assets and may be in a more vengeful mood.
- The Iranian regime will undoubtedly persist in efforts to export its brand of Shia fundamentalism to neighboring countries by training dissidents who return home to engage in acts of terrorism and subversion.
- Greater contact among guerrilla and terrorist groups in Central America and the Cuban and Nicaraguan governments will keep the specter of violence against US interests, citizens, and allies high throughout that region.

International Financial Distress

Severe financial and economic distress in Mexico and a number of other countries of major importance to the United States has resulted in significant new pressures on US interests:

- The present international recession will be much more difficult to handle than previous world recessions over the past three decades because more countries are affected, their debt burdens are heavier, and the current downturn has been longer and deeper.
- The financial distress in Mexico and other countries has put the international financial system under unprecedented strain and can create major new shocks if economic recovery does not soon occur in the United States and other industrial countries.
- The total medium- and long-term foreign debt of the developing nations is likely to reach \$550 billion by the end of 1982, as compared with some \$75 billion in 1973. A number of countries are in arrears, including the developing world's largest debtor, Mexico; and many others are in serious trouble, including the second-largest debtor, Brazil.
- We do not rule out the possibility that leaders in a few of the major debtor countries may feel compelled for political and emotional reasons to threaten a debtor revolt.
- The austerities imposed by the global recession will increase the likelihood of political conflict

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between opposing groups in many countries, and their competing demands will strain the capabilities of existing institutions.

Positive Developments and Opportunities for the United States

In addition to new challenges, there have also been a number of positive developments in situations and countries of high importance to the United States over the last year or so. Certain of these have enhanced international perceptions of US leadership and resolve, or offer the United States positive new opportunities. The principal such developments are:

— The greater resilience or adaptability of systems in several countries than appeared would be the case a year ago—for example, Saudi Arabia, and even El Salvador and Guatemala, though the governments in these latter two countries remain extremely fragile.

- New bilateral economic and defense arrangements with countries in Central America and elsewhere that have improved their ability to withstand foreign subversion and intervention.
- The definite setbacks the USSR has experienced in the Middle East in recent months, and the more pressing dilemmas for its leaders posed by growing instability in Mozambique and Angola.
- The lower levels of instability in Greece and North Yemen than appeared would be the case a year or so ago.
- In other countries, especially in Africa, leaders have had fresh doubts about the value of their relationships with the USSR and have sought closer relations with Western and pro-Western countries—for example, Iraq, Benin, Guinea, Congo, and India.

Arctic Ocean Arctic Ocean Soviet Union Mongolia North Pacific United States North North Atlantic Pacific Ocean Ocean u.s. 0 Countries Facing Possible Domestic Instability Principal countries in which major change detrimental to key US interests has at least an even chance of occurring in the next two years. Indian South Australia Ocean, Atlantic Ocean Changing Instability: 1981-82 The categorizations of instability are based on a comparison of NIE 7-81 and NIE 7-82.

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